

**United States Environmental Protection Agency
Criminal Investigation Division
Investigative Activity Report**

Case Number

0600-0500

Case Title:

Rabun Dairy

Subject of Report:

Interviews of Carol Marie PASELK

Copies to:

Reporting Office:

Dallas, TX, Area Office

Activity Date:

February 5, 2007

Related Files:

Reporting Official and Date:

(b) (6), (b) (7)(C) SAGT

08-MAR-2007

Approving Official and Date:

(b) (6), (b) (7)(C), SAC

13-MAR-2007

Approved by: (b) (6), (b) (7)(C) ASAC

SYNOPSIS

On 02/01/2007 at approximately 1630 hours, SA (b) (6), (b) (7)(C) conducted a telephonic interview of Carol Marie PASELK. On 02/05/2007 at 0957 hours, SA (b) (6), and Special Investigator (SI) (b) (6), (b) (7)(C) of the Texas Commission on Environmental Quality (TCEQ), Special Investigation Section, conducted an interview of PASELK at her residence located at 330 County Road 1169, Brashear, TX 75420. Additionally, SA (b) (6), has had numerous telephone conversations with PASELK from 02/01/2007 through 03/08/2007.

DETAILS

On 02/01/2007 at approximately 1630 hours, SA (b) (6), (b) (7)(C) conducted a telephonic interview of Carol Marie PASELK. On 02/05/2007 at 0957 hours, SA (b) (6), and Special Investigator (SI) (b) (6), (b) (7)(C) of the Texas Commission on Environmental Quality (TCEQ), Special Investigation Section, conducted an interview of PASELK at her residence located at 330 County Road 1169, Brashear, TX 75420. Additionally, SA (b) (6), has had numerous telephone conversations with PASELK from 02/01/2007 through 03/08/2007. Personal information for PASELK is as follows:

Full Name: Carol Marie PASELK; W/F, 5'5", 165 lbs, brown eyes, brown hair;

DOB: 12/26/1951; TXDL: 22454520; SSN: 547-88-1599; CA SID: CA11899955;

Address: 330 County Road 1169, Brashear, TX 75420, (903) 485-2482;

Currently self-employed.

PASELK was advised of the purpose of the interview and consented to the

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interview. PASELK then provided the following statements:

PASELK stated that in 2004, she moved to Texas from California. PASELK explained that she and (b) (6), (b) (7)(C) (who still resides in California), bought the 45 acre horse ranch in March of 2004. PASELK stated that only she and (b) (6), (b) (7)(C) reside on the horse ranch which is located at 330 County Road 1169, Brashear, TX 75420.

Concerning the discharge onto her property from the neighboring dairy that occurred in January of 2005, PASELK provided the following statements:

PASELK stated that on Wednesday, 01/19/2005, she and (b) (6), (b) (7)(C) were leaving the horse ranch at approximately 1300 hours when she noticed a tremendous amount of water flooding onto her property from the neighboring dairy's pasture. PASELK stated that the neighboring dairy is owned by (b) (6), (b) (6), and (b) (6), (b) (7)(C). PASELK stated that (b) (6), (b) (7)(C) goes by the nickname "(b) (6), (b) (7)(C)" because (b) (6), (b) (7)(C) chews Copenhagen tobacco. PASELK stated that she got out of her truck prior to leaving the horse ranch and looked at the liquid that was quickly flowing onto her property from the northeast. PASELK stated that the liquid appeared dark in color and was flowing quickly onto her property, where it was then entering a small naturally occurring creek and flowing west. PASELK said that the liquid had completely filled the creek and flooded the adjacent land. In the creek, PASELK said the liquid quickly flowed west through the full course of the creek on her property, and continued its westerly flow in the creek onto her neighbor's, (b) (6), (b) (7)(C), property. PASELK said that she didn't know any better and assumed that the liquid was water possibly from a broken water line somewhere on (b) (6), (b) (7)(C) property. PASELK stated that she got back into the truck, and she and (b) (6), (b) (7)(C) then drove to the dairy.

PASELK stated at the dairy, she encountered (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) daughter. PASELK stated that (b) (6), (b) (7)(C) has two daughters, and the daughter with (b) (6), (b) (7)(C) on this date PASELK described as being "a young, attractive girl with shoulder length blond hair." From photographs provided by SA (b) (6), (b) (7)(C) PASELK later identified (b) (6), (b) (7)(C) as the (b) (6), (b) (7)(C) present with (b) (6), (b) (7)(C) at the dairy on 01/19/2005. PASELK stated that she informed (b) (6), (b) (7)(C) of the large amount of liquid flowing onto her property from (b) (6), (b) (7)(C). PASELK said she told (b) (6), (b) (7)(C) that she thought the source of the liquid might be a broken water line, and she asked (b) (6), (b) (7)(C) to "check it out." PASELK stated that (b) (6), (b) (7)(C) indicated that (b) (6), (b) (7)(C) did not know where the water was coming

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from, but that (b) would check it out on (b) four wheeler. PASELK stated that at this time, (b) (6), (b) daughter, CAUDLE, stated "Dad, you're pumping out the lagoon." PASELK stated that (b) (6), turned and looked at (b) daughter and with (b) hand made a motion and then stated "yeah, but that's over there." PASELK said that (b) (6), (b) hand motion indicated that (b) was pumping (b) waste lagoon somewhere to the north or northeast. PASELK said that at this time, she was not suspicious of (b) (6), (b) and assumed that (b) would check it out as she had asked.

PASELK stated that she left the dairy and went into Sulphur Springs, TX, to have lunch and pay bills as planned. PASELK stated that she paid bills at Fidelity Express, FTC Electric, and went to the Northeast Texas Farmers COOP to pickup feed and other supplies. PASELK stated that she returned to her horse ranch at approximately 1600 hours. Upon driving through the gate, PASELK said she observed that the liquid discharge was still flowing onto her property at an incredible rate. PASELK stated that she went inside her house and contacted the Shirley Water Supply Corporation. PASELK said that within 15 minutes, an older gentleman with the Shirley Water Supply Corporation arrived at her property and observed the discharge coming onto her property from the dairy. PASELK later reviewed photographs provided by SA (b) (6), and identified James Wiley (b) (6), (b) (7)(C) as the man from the Shirley Water Supply Corporation that came to her property on 01/19/2005. PASELK said that after observing the discharge for a few moments, (b) (6), (b) (7)(C) commented that the water look like "blackwater," and that it was not water from the Shirley Water Supply Corporation, because their water lines ran on the opposite side of the road. PASELK said that it was at this time and based on (b) (6), (b) (7)(C) comment that the water looked like blackwater that she recalled the comments made by (b) (6), (b) daughter in regards to (b) (6), pumping out the dairy's waste lagoon. PASELK stated she asked (b) (6), (b) (7)(C) what she should do, to which (b) (6), (b) (7)(C) said "I don't want to get in the middle of it - you can call the Hopkins County Environmental Board."

PASELK stated that (b) (6), (b) (7)(C) left, and she went back inside the house to use the telephone. PASELK stated that after a few calls, she was put in contact with (b) (6), (b) (7)(C) the Hopkins County Environmental Officer. PASELK stated that sometime after 1700 hours, (b) (6), (b) arrived at her property. PASELK stated that (b) (6), (b) also observed massive amounts of the dark brownish-black liquid flowing onto her property at a high rate. PASELK stated that (b) (6), (b) did not bring a camera and did not bring any type of sampling equipment. PASELK stated that (b) (6), (b) did take a few photographs using (b) cellular telephone. PASELK stated that (b) (6), (b) also

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made comments like "I've never seen anything like this." PASELK stated that after staying at her property for a short time, (b) (6), (b) (7)(C) left her property and advised her that (b) (6), (b) (7)(C) was going to the dairy to conduct further investigation. PASELK said the following morning (01/20/2005), she spoke with (b) (6), (b) (7)(C) via telephone and (b) (6), (b) (7)(C) advised her that (b) (6), (b) (7)(C) had admitted to emptying (b) (6), (b) (7)(C) waste lagoon and that (b) (6), (b) (7)(C) was sorry the discharge got onto her property.

PASELK stated that what followed was a series of frustrating telephone calls to various government agencies including EPA Region 6, the TCEQ, the Texas State Soil and Water Conservation Board (TSSWCB), and United States Congressman Ralph HALL's office.

PASELK stated that her call to the TSSWCB yielded results. PASELK stated that she talked to (b) (6), (b) (7)(C) in Mount Pleasant, TX, who said (b) (6), (b) (7)(C) would have an investigator come out the following morning and conduct an investigation. PASELK stated that on Friday, 01/21/2005, (b) (6), (b) (7)(C) of the TSSWCB arrived at her property. PASELK said that (b) (6), (b) (7)(C) had a younger man with (b) (6), (b) (7)(C) also. PASELK said that (b) (6), (b) (7)(C) toured her horse ranch and then left her property stating (b) (6), (b) (7)(C) was going to the RABUN Dairy next. PASELK said that even on this day, 01/21/2005, there still remained standing puddles of liquid cattle waste in her creek bed and on her land, which were observed by (b) (6), (b) (7)(C) and the other man. Prior to leaving her property, (b) (6), (b) (7)(C) told PASELK that if (b) (6), (b) (7)(C) finds the RABUN Dairy abided by their Water Quality Management Plan, then (b) (6), (b) (7)(C) would be unable to decertify the dairy.

PASELK stated that during this time her greatest concern was for her horses. PASELK explained that she had approximately forty horses on the property at this time, and several of the horses had eaten hay and grass in the area that was saturated with the liquid cattle waste. PASELK stated that out of desperation, later that same evening (01/21/2005), she contacted (b) (6), (b) (7)(C), the chairman of the TSSWCB. PASELK stated that (b) (6), (b) (7)(C) informed her that if (b) (6), (b) (7)(C) report indicated the RABUN Dairy should be decertified, it would still be several days before the TSSWCB could meet and vote on the recommendation for decertification.

PASELK said that within the next few days, she spoke with a lawyer at the Texas Department of State Health Services (TDSHS), and wrote at least two letters to Texas Governor Rick PERRY, which she copied to several other agencies including EPA Region 6 and the TCEQ.

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PASELK stated that on 01/26/2005, (b) (6), (b) (7)(C), the Regional Director of the TCEQ's Tyler, TX, office and members of (b) (6) staff visited her property to conduct an investigation. PASELK stated that even on this date, one week after the illegal discharge from the dairy onto her property, there were still standing puddles of liquid cattle waste in her creek bed. PASELK stated that the TCEQ employees took approximately 2 samples from the standing puddles of liquid cattle waste. PASELK said the TCEQ employees did not take soil samples.

Regarding the deaths of several horses which PASELK claims were caused by the illegal discharge of liquid cattle waste onto her property by the RABUN Dairy, PASELK made the following statements: PASELK stated that within a few days of the 01/19/2005 illegal discharge, she rushed a thoroughbred mare previously "in-foal" to the Rockwall Equine Clinic where the mare was found to no longer be "in-foal." On 02/09/2005, PASELK said she rushed a purebred Arabian mare to the Rockwall Equine Clinic where that mare was found to be in distress because her foal had died in utero. PASELK stated that labor was induced and the dead foal was delivered. PASELK stated that a few hours later the purebred Arabian mare had to be euthanized. PASELK stated that she transported the dead mare and foal to the Texas Veterinary Medical Diagnostic Laboratories (TVMDL) at College Station, TX, where necropsies were performed. PASELK said a few weeks later, she transported another thoroughbred mare with foal to the Rockwall Equine Clinic because the mare was refluxing a thick, (b) (6), fluid through her nostrils. PASELK stated that labor was induced and the mare delivered her foal. PASELK said a blood panel was taken of the foal upon birth which indicated elevated levels of white blood cells, indicative of an infection. PASELK stated that the foal was euthanized shortly thereafter. PASELK stated that she then drove this dead foal to the TVMDL for necropsy. PASELK stated a few days after this event, she rushed another thoroughbred mare to the Rockwall Equine Clinic that was also in-foal. PASELK stated that this mare delivered a filly. PASELK stated that on veterinary orders, this mare, her new filly, and the other thoroughbred mare that she previously rushed to the Rockwall Equine Clinic, are being boarded away from her horse ranch.

PASELK stated a short time after having transported the horses to the TVMDL for necropsies, she was provided with the results of the necropsies. PASELK said the necropsies concluded that the mare and foals died as the result of toxic exposure to pathogens commonly found in dairy lagoon effluent.

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PASELK stated that she did not intend to sue (b) (6), for the illegal discharge of liquid cattle waste onto her property, but rather, she simply wanted (b) (6) to apologize to her and compensate her for the dead horses. PASELK stated that what started the lawsuit was an unsolicited contact from (b) (6), (b) (6) insurance company, State Farm Insurance, regarding a claim. PASELK stated that beginning in approximately June of 2005, she met with State Farm Insurance representatives and attorney (b) (6), (b) (6), (b) (6), who represented the RABUN Dairy. PASELK stated that she provided them with detailed information including photographs and information she had obtained from the TCEQ, TSSWCB, (b) (6), (b) (7)(C), and the TVMDL.

PASELK stated that prior to the end of 2005, she filed a lawsuit against (b) (6), in Hopkins County District Court. PASELK said she filed the lawsuit because (1) her veterinarians and a microbiologist that reviewed the necropsies each advised her to remove all the horses from her ranch out of concern that the ranch was now contaminated with deadly pathogens as a result of (b) (6), (b) (6) illegal discharge; (2), she is unable to market her horse ranch and horses for breeding services out of concern that a horse boarded at her ranch for breeding might end up dead or diseased as a result of the contaminated ranch; and (3), she has lost a considerable amount of money and is continuing to incur expenses for the offsite boarding of three of her own horses.

PASELK stated that she initially had an attorney representing her named (b) (6), (b) (7)(C) out of Sugarland, TX, and then an attorney from Rockwall, TX, named (b) (6), (b) (7)(C) (phonetic). However, PASELK stated she could not afford either attorney so she is now representing herself in the lawsuit.

As part of the lawsuit, PASELK stated that in 2005 she was deposed by (b) (6), (b) (6) attorney, (b) (6), (b) (6), (b) (6). During her deposition, PASELK said that (b) (6), asked her if she had ever been arrested or indicted. PASELK said she told (b) (6), "I don't think so." PASELK stated that (b) (6), then informed her that she had been indicted in Lodi, CA, on numerous counts of insurance fraud and that there was an active arrest warrant out for her. PASELK said that (b) (6), also threatened to turn her in because as an officer of the court (b) (6) was obliged to do so. PASELK stated that she became completely flustered and did not know what (b) (6), was talking about.

PASELK stated that after the deposition was over, she looked into the matter and discover that it was related to a truck that she once owned when she lived in California.

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PASELK explained that on the advice of her insurance agent in California, she hired a man to repair her truck. PASELK stated that the man offered her a temporary truck to use while (b) took possession of her truck in order to repair it. PASELK stated that the man absconded with her truck after she paid (b) several thousand dollars for repair work. PASELK stated that when it became clear the man was not going to give her truck back, she filed a police report claiming the truck was stolen by the man.

PASELK stated her insurance company offered her payment for the stolen truck, but PASELK told her insurance company that the amount they offered was far less than what she had actually paid for the truck including the recent repair money. PASELK stated that her insurance company offered to compensate her for the repair work if she could provide receipts. PASELK stated that she searched her records and found some handwritten receipts from the man she claimed stole her truck. PASELK said the handwritten receipts were illegible, so in an attempt to make the receipts more clear, she used software on her computer to produce computer-generated receipts that had the same information as the handwritten receipts. PASELK said she submitted those receipts to her insurance company, and her insurance company paid her claim including the extra money for the repair work. After (b) (6) informed her of the indictment and arrest warrant - and after she had an opportunity to check into it, PASELK said she was shocked to learn that the man she paid to repair her truck had made claims that she had not paid (b) for the work, and under California law, (b) was able to "quick-deed" the truck to (b) (6), (b) and sell it. PASELK stated that apparently her insurance company had found out this information regarding the disposition of the truck and began investigating her for insurance fraud. PASELK stated that the sale of the truck coupled with the receipts that they believed she fabricated resulted in them [her insurance company] filing charges against her in California. PASELK stated that her insurance company never informed her of the investigation, and never notified her that they were going to file charges against her. PASELK said that the money she paid for the repair work was legitimate and that not only did she have the man's handwritten receipts, but she had her cancelled checks and money orders to prove the charges were valid. PASELK stated that after she learned of the indictment and arrest warrant, she flew to California and went to court to clear up the matter. PASELK stated that she was required to pay some of the money back to her insurance company, and the charges were dismissed.

PASELK stated that she does not believe (b) (6), (b) (b) (6), (b) (7) or their (b) (6), (b) (7) have been deposed in their on-going lawsuit. Additionally, PASELK stated

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that she initiated another lawsuit against her other neighbor, (b) (6), (b) (7)(C). PASELK stated that when she and (b) (6), (b) (7)(C) purchased the property located at 330 County Road 1169, Brashear, TX, in 2004, they "leased with an option to buy" an adjacent 50 acres owned by (b) (6), (b) (7)(C). PASELK said that she had been cutting hay and using that property for horse grazing until she filed suit against (b) (6), (b) (7)(C). PASELK explained that it was then she learned that BREWER and (b) (6), (b) (7)(C) are friends, and as a result of her filing the lawsuit against (b) (6), (b) (7)(C) (b) (6), (b) (7)(C) "locked her out of the land." PASELK said that when she questioned (b) (6), (b) (7)(C) as to why (b) (6), (b) (7)(C) locked her out, (b) (6), (b) (7)(C) told her that "(b) (6), (b) (7)(C) refused to sell property to someone like her."

PASELK stated she was surprised when EPA Region 6 decided to look into the matter beginning in December of 2006. PASELK stated that she thought the matter had been concluded as far as the State governmental agencies were concerned and that no one was going to look into (b) (6), (b) (7)(C) illegal discharge any further. PASELK stated that it wasn't until speaking with EPA Region 6 Attorney (b) (6), (b) (7)(C) that she learned that EPA has a Criminal Investigation Division and that EPA Region 6 was going to share her information with EPA's Criminal Investigation Division.

On 03/06/2007, PASELK provided SA (b) (6), (b) (7)(C) with original receipts memorializing her visit to various locations in Sulphur Springs, TX, on 01/19/2005. These records, along with a binder containing copies of digital photographs and various letters authored by PASELK, the TCEQ, and TSSWCB have been placed by SA (b) (6), (b) (7)(C) into evidence.

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